



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427



April 30, 2001

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **DEPARTMENT OF PARKS AND RECREATION FISCAL REVIEW -
PHASE III IMPLEMENTATION PLAN**

On March 2, 2001, the Auditor-Controller issued its Department of Parks and Recreation (DPR) Fiscal Review – Phase III audit report. The report contained 17 recommendations to improve controls over special funds, special recreation “K” Accounts, trust funds, grants, and foundations. DPR stated that it would provide a detailed response within sixty to ninety days. Attached is the Department’s response.

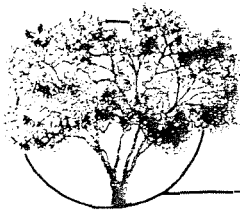
The Department implementation plan provides measurable outcomes and a target implementation date for each of the 17 recommendations. The plan indicates that four recommendations have been implemented, seven are scheduled to be implemented by June 30, 2001, and the remaining six are scheduled to be implemented by December 31, 2001.

If you have any questions or need additional information, please contact me or have your staff contact Pat McMahon at (213) 974-0301 or DeWitt Roberts at (213) 893-0973.

JTM:PTM:DR

Attachments

c: David E. Janssen, Chief Administrative Officer
Rodney Cooper, Director, Department of Parks and Recreation
Mike Smith, Chief Deputy, Department of Parks and Recreation
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION



Rodney E. Cooper, Director

April 19, 2001

TO: J. Tyler McCauley
Auditor-Controller

FROM: Rodney E. Cooper
Director

SUBJECT: FISCAL REVIEW IMPLEMENTATION PLAN – PHASE III

Attached is the implementation plan for Phase III of the fiscal review of the Department of Parks and Recreation. The implementation plan indicates the measurable outcome and target implementation date for each of the 17 recommendations. The Department has implemented some of the recommendations and others will be implemented in the near future.

If you have any questions or require additional information, please contact me at (213) 738-2951 or your staff may contact Brad Fleischer at (213) 738-3015.

REC:SDW:sdw

Attachment

c: Michael H. Smith, Parks and Recreation
Henry Román, Parks and Recreation
Assistant Directors, Parks and Recreation

**DEPARTMENT OF PARKS AND RECREATION
PHASE III FISCAL AUDIT IMPLEMENTATION PLAN**

AUDIT RECOMMENDATION	MEASURABLE OUTCOME	IMPLEMENTATION PLAN	TARGET DATE
1. Ensure all available special revenue fund sources are monitored and transferred at least annually to the General Fund to reimburse it for eligible expenses.	General fund is reimbursed for all eligible expenditures	<ul style="list-style-type: none"> Review special revenue fund sources on an annual basis and transfer/reimburse the General Fund as necessary. (Brad Fleischer, Faith Parducho, Ahmed Bahbah) 	<ul style="list-style-type: none"> During annual book closing – July/August of each year
2. Work with the CAO and Auditor-Controller to develop a policy memo to share with the Board, which describes the nature and purpose of each special fund, the sources of revenue, and types of allowable expenditures.	Maintain list of each fund describing the purpose, sources of revenue and allowable expenditures	<ul style="list-style-type: none"> Prepare policy memo describing each special fund and present it to the Board deputies. (Brad Fleischer, Faith Parducho, Ahmed Bahbah) 	<ul style="list-style-type: none"> December 2001
3. Re-evaluate the budgets for the Golf Course Special Fund and the Regional Parks Special Development Fund to ensure they represent the best estimate of actual results, based upon past experience and operating trends.	Revenue estimate are within 10% of actual results	<ul style="list-style-type: none"> Review the estimated revenue for the funds, incorporate information about past trends and experience, and include in annual budget request. (Brad Fleischer, Faith Parducho) 	<ul style="list-style-type: none"> During annual budget process – Implemented February 2001
4. Ensure all special funds are included in the County budget.	Budget includes requests for each special fund	<ul style="list-style-type: none"> Review the budget and verify that special funds have been included. (Brad Fleischer, Faith Parducho) 	<ul style="list-style-type: none"> During annual budget process – Implemented February 2001

**DEPARTMENT OF PARKS AND RECREATION
PHASE III FISCAL AUDIT IMPLEMENTATION PLAN**

AUDIT RECOMMENDATION	MEASURABLE OUTCOME	IMPLEMENTATION PLAN	TARGET DATE
5. Develop a plan to utilize the County Trails Special Fund balance.	No balance remaining in the County Trails Special Fund	<ul style="list-style-type: none"> Review the eligible expenses for the County Trails Special Fund. Prepare a spending plan for the fund balance. (Brad Fleischer, Faith Parducho, Assistant Directors, Planning Division) 	<ul style="list-style-type: none"> September 2001 September 2001
6. Ensure collections are deposited into the correct funds in accordance with Board approved guidelines.	Collections are appropriately distributed to correct fund	<ul style="list-style-type: none"> Review the Board approved guidelines for funds and deposit collections accordingly. (Ahmed Bahbah) 	<ul style="list-style-type: none"> Implemented March 2001 Ongoing
7. Require that transfers between "K" Accounts be approved by an Assistant Director or higher, and contain an explanation for the transfer.	K account transfers are authorized	<ul style="list-style-type: none"> Provide a justification for K account transfers. (Assistant Directors) Assistant Directors approve all K account transfer requests. (Assistant Directors) 	<ul style="list-style-type: none"> Implemented March 2001
8. Ensure that field locations submit revenue distribution information to the Accounting Section in a timely manner and that all transfers of funds from trust accounts are supported by proper documentation.	Funds do not remain in the trust account.	<ul style="list-style-type: none"> Submit revenue distribution information (receipts, vehicle recaps, etc.) to Accounting within five (5) business days as outlined in P.M. #300. (Assistant Directors) Prepare memo from Chief Deputy to Assistant Directors reinforcing the necessity for revenue distribution and trust account transfer documentation to be submitted in a timely manner. (Brad Fleischer, Ahmed Bahbah) 	<ul style="list-style-type: none"> April 2001 April 2001

**DEPARTMENT OF PARKS AND RECREATION
PHASE III FISCAL AUDIT IMPLEMENTATION PLAN**

AUDIT RECOMMENDATION	MEASURABLE OUTCOME	IMPLEMENTATION PLAN	TARGET DATE
9. Develop a spending plan for the \$220,000 remaining in five inactive trust funds (CP's) and work with the Board offices and the grantor agencies to obtain their approval.	Remaining funds are spent.	<ul style="list-style-type: none"> Develop a spending plan for the funds. (Kimel Conway, Rob Ulrich) Contact grantors and request approval to spend funds. (Kimel Conway, Rob Ulrich) Work with the Board deputies on a plan to spend the funds. (Kimel Conway, Rob Ulrich) 	<ul style="list-style-type: none"> September 2001 September 2001 September 2001
10. Review all trust funds yearly and close inactive funds if appropriate.	Inactive funds do not remain open.	<ul style="list-style-type: none"> Monitor trust funds and close as necessary. (Ahmed Bahbah) 	<ul style="list-style-type: none"> During year end book closing – July/August
11. Ensure that departmental trust funds are reconciled timely and that outstanding/unreconciled transactions are resolved promptly.	Decrease the number of unreconciled funds.	<ul style="list-style-type: none"> Monitor and reconcile trust funds on a quarterly basis. (Ahmed Bahbah) 	<ul style="list-style-type: none"> June 2001
12. Ensure grant expenditures are monitored more closely so that grant funds are fully utilized.	No balances remaining in CP's.	<ul style="list-style-type: none"> Monitor grants nearing expiration to ensure that no funds are remaining. (Rob Ulrich) 	<ul style="list-style-type: none"> June 2001 Ongoing
13. Seek Board/CDC approval to reallocate funds amongst cost categories or from one grant to another when necessary.	No balances remaining in CP's.	<ul style="list-style-type: none"> Monitor grants to ensure that no funds remain after program completion. (Rob Ulrich) Request CDC approval to reallocate leftover grant funds to other projects or programs. (Rob Ulrich) 	<ul style="list-style-type: none"> June 2001 June 2001 Ongoing
14. Ensure grant claims and County billings are submitted within required timeframes.	Decrease number of late grant claims and billings	<ul style="list-style-type: none"> Review grant guidelines and reiterate claim and billing timeframes to staff. (Rob Ulrich) 	<ul style="list-style-type: none"> June 2001 Ongoing

**DEPARTMENT OF PARKS AND RECREATION
PHASE III FISCAL AUDIT IMPLEMENTATION PLAN**

AUDIT RECOMMENDATION	MEASURABLE OUTCOME	IMPLEMENTATION PLAN	TARGET DATE
15. Ensure administrative costs claimed on CDBG grants are based on the Auditor-Controller's indirect cost rates.	Grant claims match Auditor-Controller rates	<ul style="list-style-type: none"> Review Auditor-Controller indirect costs rates prior to claiming administrative costs. (Rob Ulrich) 	<ul style="list-style-type: none"> June 2001 Ongoing
16. Ensure the accuracy of data reported on the Annual Reporting Form for Foundation Activities.	Increase the accuracy of foundation annual reporting	<ul style="list-style-type: none"> Prepare memo from Chief Deputy to Sr. Assistant Director reinforcing that all foundations submit the annual reporting form. (Boyd Horan) Review submitted reporting forms for discrepancies and oversights. (Boyd Horan) 	<ul style="list-style-type: none"> September 2001 September 2001
17. Issue written notice to the Friends of Greater Los Angeles Parks (FOGLAP) Foundation, describing the particular objectives the Foundation must achieve within a specified time frame in order to continue its relationship with the department.	FOGLAP provides some benefit to the department	<ul style="list-style-type: none"> Prepare memo to FOGLAP communicating this recommendation. (Margo Morales) 	<ul style="list-style-type: none"> April 2001